



# CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Adopt Resolution Awarding Contract for the Central Plume PCE/TCE Remedial Measures Project to Diede Construction, Inc., of Woodbridge (\$1,758,672.42) and Appropriating Funds (\$2,000,000)

**MEETING DATE:** March 17, 2010

**PREPARED BY:** Public Works Director

**RECOMMENDED ACTION:** Adopt a resolution awarding the contract for the Central Plume PCE/TCE Remedial Measures Project to Diede Construction, Inc., of Woodbridge, in the amount of \$1,758,672.42 and appropriating funds in the amount of \$2,000,000.

**BACKGROUND INFORMATION:** This project consists of design, construction, operation and maintenance of a groundwater extraction and treatment system and a soil vapor extraction and treatment system. The Central Plume Source Area is bounded by Pine Street and Oak Street and Church Street and Pleasant Avenue. The project includes two groundwater extraction wells, nine soil vapor extraction well sites (18 wells), three monitoring well sites (six wells), an approximately 600-square-foot treatment facility, electrical and control wiring, associated utility piping and site improvements; and all other associated work needed and described in the project RFP documents, plans (drawings) and specifications. Nine firms were prequalified to bid on this project. This project will be approved by the Regional Water Quality Control Board in the very near future.

Plans and specifications for this project were approved on May 6, 2009. The City received the following three bids for this project on February 23, 2010.

Bidder	Location	Bid
Engineer's Estimate		\$1,216,000.00
Diede Construction	Woodbridge	\$1,758,672.42
Engineering/Remediation Resources Group	Martinez	\$3,443,666.00
*LFR/Arcadis (non-responsive bid)	Emeryville	\$1,367,542.00

\*The LFR/Arcadis bid included a "Bid Clarification" letter and has been determined to be non-responsive by the City Attorney. A city is required to reject a bid as non-responsive when the response: 1) affects the amount of the bid; 2) gives a bidder an advantage over others; 3) provides a potential vehicle for favoritism; 4) might cause other potential bidders to refrain from bidding; or 5) affects the ability to make bid comparisons (Ghillotti v City of Richmond (1996) 45 Cal.App.4<sup>th</sup> 897). Arcadis' clarifications give them an advantage, affect the amount of the bid and affect bid comparisons because they are saying they will not provide services required in the bid package.

Staff is recommending the appropriation of \$2,000,000 to cover construction costs, operating costs for two years, testing and inspection, City staff time, and contingencies.

APPROVED:

Blair King,

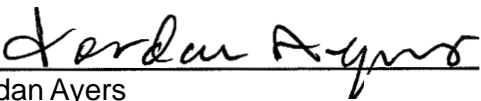
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Adopt Resolution Awarding Contract for the Central Plume PCE/TCE Remedial Measures Project to  
Diede Construction, Inc., of Woodbridge (\$1,758,672.42) and Appropriating Funds (\$2,000,000)  
March 17, 2010  
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The Community Development Director has determined the project is categorically exempt under the California Environmental Quality Act pursuant to Section 15330, Class 30.

**FISCAL IMPACT:** Capital and Operations funding for these facilities was anticipated in the current water rate.

**FUNDING AVAILABLE:** Requested Appropriation:  
Central Plume Settlement Funds (190) \$2,000,000

  
\_\_\_\_\_  
Jordan Ayers  
Deputy City Manager/Internal Services Director

  
\_\_\_\_\_  
F. Wally Sandelin  
Public Works Director

Prepared by Gary Wiman, Construction Project Manager  
FWS/GW/pmf

cc: City Attorney  
Purchasing Officer  
Management Analyst Areida-Yadav

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CITY OF LODI, CALIFORNIA

THIS CONTRACT made by and between the CITY OF LODI, State of California, herein referred to as the "City," and DIEDE CONSTRUCTION, INC., herein referred to as the "Contractor."

W I T N E S S E T H :

That the parties hereto have mutually covenanted and agreed, and by these presents do covenant and agree with each other, as follows:

The complete Contract consists of the following documents which are incorporated herein by this reference, to-wit:

Request for Design/Build Proposal  
Bridging Documents  
Bid Proposal (Contractor Provided Schedule of Values)  
Special Provisions  
Contract  
Contract Bonds

1. Project Engineer Drawings:

SV G-1	EW G-1
SV C-1	EW C-1
SV c-2	EW C-2
SV M-1	EW M-1
SV M-3	EW M-2
SV M-4	EW M-3
SV E-1	EW M-4
	EW E-1

Addenda

All of the above documents, sometimes hereinafter referred to as the "Contract Documents," are intended to cooperate so that any work called for in one and not mentioned in the other is to be executed the same as if mentioned in all said documents.

ARTICLE I - That for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the City and under the condition expressed in the two bonds bearing even date with these presents and hereunto annexed, the Contractor agrees with the City, at Contractor's cost and expense, to do all the work, furnish all labor and furnish all the materials except such as are mentioned in the specifications to be furnished by the City, necessary to construct and complete in a good workmanlike and substantial manner and to the satisfaction of the City the proposed improvements as shown and described in the Contract Documents which are hereby made a part of the Contract.

ARTICLE II - The City hereby promises and agrees with the Contractor to employ, and does hereby employ, the Contractor to provide all materials and services not supplied by the City and to do the work according to the terms and conditions for the price herein, and hereby contracts to pay the same as set forth in Clauses 65 and 66 Special Conditions, in the manner and upon the conditions above set forth; and the said parties for themselves, their heirs, executors, administrators, successors and assigns, do hereby agree to the full performance of the covenants herein contained.

ARTICLE III - The Contractor agrees to conform to the provisions of Chapter 1, Part 7, Division 2 of the Labor Code. The Contractor and any Subcontractor will pay the general prevailing wage rate and other employer payments for health and welfare, pension, vacation, travel time, and subsistence pay, apprenticeship or other training programs. The responsibility for compliance with these Labor Code requirements is on the prime contractor.

ARTICLE IV - And the Contractor agrees to receive and accept the following prices as full compensation for furnishing all materials and for doing all the work contemplated and embraced in this agreement; also for all loss or damage arising out of the nature of the work aforesaid or from the action of the elements, or from any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of the work until its acceptance by the City, and for all risks of every description connected with the work; also for all expenses incurred by or in consequence of the suspension or discontinuance of work and for well and faithfully completing the work, and the whole thereof, in the manner and according to the Plans and Contract Documents and the requirements of the Engineer under them, to-wit:

<b>TOTAL CONTRACT AMOUNT</b>	
<b>Guaranteed Maximum Price</b>	\$1,758,672.42*

\*Exhibit A is the Schedule of Values from Contractor dated February 23, 2010.

ARTICLE V - By my signature hereunder, as Contractor, I certify that I am aware of the provisions of Section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

ARTICLE VI - It is further expressly agreed by and between the parties hereto that, should there be any conflict between the terms of this instrument and the Bid Proposal of the Contractor, then this instrument shall control and nothing herein shall be considered as an acceptance of the said terms of said proposal conflicting herewith.

ARTICLE VII - The City is to furnish the necessary rights-of-way and easements for the work as specified under the Special Provisions. All labor or materials not mentioned specifically as being done by the City will be supplied by the Contractor to accomplish the work as outlined in the documents,

ARTICLE VIII - The Contractor agrees to commence work pursuant to this contract and to diligently prosecute to **completion in accordance with the following schedule:**

1. Complete design and submission of plans to the City of Lodi Building Department within 120 calendar days after the Notice to Proceed;
2. Complete construction 90 calendar days after the date of the City of Lodi Building Permit issuance.
3. Total Construction Project (excluding Building Department Permit Review): 225 calendar days.
4. The Operations and Maintenance (O & M) period shall be 365 calendar days from date of City Council Acceptance of the project. O & M Term may be renewed annually as stated in the documents.

When signing this contract, the Contractor agrees that the times of completion for this contract are reasonable, that failure to meet the milestones completion shall result in the assessment of liquidated damages charges to the Contractor, and that the Contractor agrees to pay the City liquidated damages of **\$1,000.00 per day for each day the work is not totally completed** beyond the times specified in the preceding paragraph. Contractor agrees that this amount may be deducted from the amount due the Contractor under the contract.

IN WITNESS WHEREOF, the parties to these presents have hereunto set their hands the year and date written below.

CONTRACTOR:

CITY OF LODI

\_\_\_\_\_

By: \_\_\_\_\_  
Blair King, City Manager

By: \_\_\_\_\_

Date: \_\_\_\_\_


Attest:

\_\_\_\_\_  
Title

\_\_\_\_\_  
Randi Johl, City Clerk

(CORPORATE SEAL)

Approved as to form:

\_\_\_\_\_  
D. Stephen Schwabauer, City Attorney  


Part A, Section 3, Schedule of Values

Item	Description	Qty	Unit	Unit Price	Total	Reference
1	Design	1	LS	\$12,750.00	\$12,750.00	
2	Bonds and insurance	1	LS	\$53,225.64	\$53,225.64	
3	Overhead	1	LS	\$71,539.74	\$71,539.74	
4	Construction Mobilization	1	LS	\$2,121.60	\$2,121.60	
5	Construction Supervision	1	LS	\$35,769.36	\$35,769.36	
6	Health And Safety	1	LS	\$1,452.48	\$1,452.48	6-146
7	Erosion Control	1	LS	\$6,834.00	\$6,834.00	
8	Groundwater Extraction Well Location	2	Each	\$51,379.44	\$102,758.88	6-165, Details 1, 2 and 3 on EW M-2
9	1 1/2 HP Submersible Pump System Replacement	1	LS	\$4,590.00	\$4,590.00	6-152
10	5 HP Submersible Pump System Replacement	1	LS	\$8,670.00	\$8,670.00	6-152
11	Soil Vapor Extraction Well Location	9	Each	\$11,879.60	\$106,916.40	6-158, Details 1, 2 and 7 on SV M-3
12	Vapor Monitoring Well Location	3	Each	\$9,946.02	\$29,838.06	6-158, Details 3, 4, 8 and 9 on SV M-3
13	Liquid System Granular Activated Carbon (GAC)	36,000	Pound	2.70	\$97,200.00	6-153
14	Vapor System Granular Activated Carbon (GAC)	96,000	Pound	3.37	\$323,520.00	6-153
15	Excavation Safety	1	LS	\$765.00	\$765.00	
16	Combined Treatment Facility Site Demolition and Improvements	1	LS	\$5,885.40	\$5,885.40	Section 02210 and 6-80.01
17	Groundwater Treatment System Facility Materials & Equipment	1	LS	\$132,589.80	\$132,589.80	6-144, Drawings EW C-2 and EW M-1
18	Soil Vapor Treatment System Facility Materials & Equipment	1	LS	\$269,157.60	\$269,157.60	6-160, Drawings SV C-1 and SV M-1
19	Start-up and Operations and Maintenance Manual	1	LS	\$5,033.70	\$5,033.70	6-147
20	Waste Disposal (Knockout Drum Water)	1,000	Gallon	2.04	\$2,040.00	6-161
21	Controlled Density Fill	500	Cubic Yard	84.66	\$42,330.00	6-19.02 and 6-19.07
22	Asphalt Paving	200	Ton	71.40	\$14,280.00	6-39.01 & 6-39.04
23	Electrical	1	LS	\$8,670.00	\$8,670.00	6-168
24	Year 1 Operation, Maintenance, Sampling and Reporting	12	Month	7,562.54	\$90,750.48	6-145, 6-146, 6-148, 6-150, 6-162 and RWQCB and SJVAPCD Requirements
25	All other items needed for a complete and operational System	1	LS	\$312,111.84	\$312,111.84	
26	Profit	1	LS	\$17,872.44	\$17,872.44	
	Total Guaranteed Maximum Price				\$1,758,672.42	Total of above items 1 - 26. This amount should be the same as entered on RFP Part B as the Guaranteed Maximum Price.

Y2-1	Year 2 Operation, Maintenance, Sampling and Reporting	12	Month	4,080.00	\$48,960.00	6-145, 6-148, 6-149, 6-150, 6-162 and RWQCB and SJVAPCD Requirements
Y2-2	Liquid System Granular Activated Carbon (GAC)	36,000	Pound	3.23	\$116,280.00	6-153
Y2-3	Vapor System Granular Activated Carbon (GAC)	96,000	Pound	4.06	\$389,760.00	6-153
Y2-4	Waste Disposal (Knockout Drum Water)	1,000	Gallon	3.87	\$3,870.00	6-161
	Total Year 2 Operation, Maintenance, Sampling and Reporting				\$558,870.00	Total of items Y2-1 - Y2-4. This amount, divided by 12, should be the same amount entered on RFP Part B as the Year 2 Monthly cost.

Signature

Date

Diède Construction, Inc.

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## SUBCONTRACTOR'S LIST

[illegible]

RESOLUTION NO. 2010-36

A RESOLUTION OF THE LODI CITY COUNCIL AWARDING CONTRACT  
FOR CENTRAL PLUME PCE/TCE REMEDIAL MEASURES PROJECT  
AND FURTHER APPROPRIATING FUNDS

WHEREAS, in answer to notice duly published in accordance with law and the order of this City Council, sealed bids were received and publicly opened on February 23, 2010, at 2:00 p.m. for the Central Plume PCE/TCE Interim Remedial Measures Project, described in the plans and specifications therefore approved by the City Council on May 6, 2009; and

WHEREAS, said bids have been checked and tabulated and a report thereof filed with the City Manager as follows:

<b>Bidder</b>	<b>Bid</b>
Diede Construction	\$1,758,672.42
Engineering/Remediation Resources Group	\$3,443,666.00
LFR/Arcadis (non-responsive bid)	\$1,367,542.00

WHEREAS, the LFR/Arcadis bid included a "Bid Clarification" letter and has been determined to be non-responsive by the City Attorney; and

WHEREAS, staff recommends awarding the contract for the Central Plume PCERCE Interim Remedial Measures Project to the low bidder, Diede Construction, Inc., of Woodbridge, California; and

WHEREAS, staff is recommending the appropriation of \$2,000,000 to cover construction costs, testing and inspection, City staff time, and contingencies.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby award the contract for the Central Plume PCERCE Interim Remedial Measures Project to the low bidder, Diede Construction, Inc., of Woodbridge, California, in the amount of \$1,758,672.42; and

BE IT FURTHER RESOLVED that funds in the amount of \$2,000,000 be appropriated from Central Plume Settlement Funds.

Dated: March 17, 2010

I hereby certify that Resolution No. 2010-36 was passed and adopted by the City Council of the City of Lodi in a regular meeting held March 17, 2010, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Hitchcock, Johnson, Mounce, and  
Mayor Katzakian

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None



RANDI JOHL  
City Clerk



The City of Lodi  
**Public Works  
Water Services**



# PCE/TCE Remedial Measures Contract

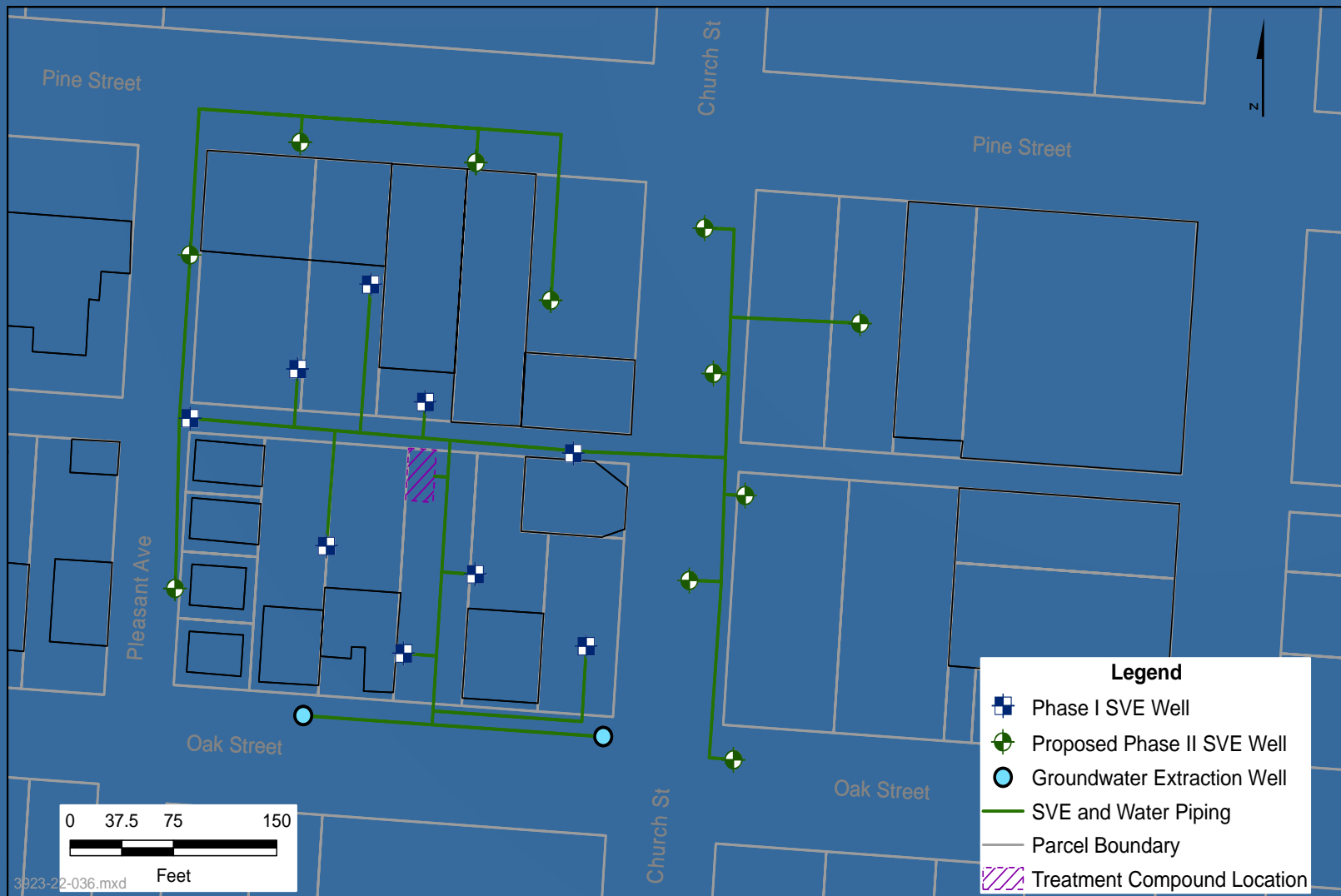
Item J - 5  
March 17, 2010



# Project Timeline

- ✓ Approve Plans and Specs – May 6, 2009
- ✓ Prequalification Advertise – June 5, 2009
- ✓ Extended at Bidders Request – Oct. 9, 2009
- ✓ Relocate Treatment Works - Jan. 11, 2009
- ✓ Bids Received – Feb. 23, 2010







# Bid Results

Engineer's Estimate

\$1,216,000.00

1. Diede Construction

\$1,758,672.42

2. ERRG

\$3,443,666.00

3. LFR/Arcadis

Bid Non-Responsive

Contract includes construction of groundwater and soil vapor extraction facilities and treatment works. In addition, Contract includes operation of facilities for one year. An optional second year of operation is an additional cost.



Questions?